

**STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE**

In the Matter of  
Look Good Naked, Inc.  
a Minnesota Corporation

**CONSENT ORDER**

LGN Franchise Systems, LLC  
a Minnesota Limited Liability Company

TO: Sara Jespersen, President  
Look Good Naked, Inc.  
LGN Franchise System, LLC  
1104 Meadowlark Drive  
Stillwater MN 55082

Commissioner of Commerce Mike Rothman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised Look Good Naked, Inc. (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 80C.16 (2012) and Minn. Stat. § 45.027 (2012) against Respondent based on allegations that Respondent offered and sold unregistered and non-exempt franchises in this state, in violation of Minn. Stat. § 80C.02 (2012).

2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination at a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right it hereby waives.

3. Respondent is the affiliate of LGN Franchise System, LLC ("LGN"). LGN has applied for registration with the State of Minnesota to sell franchises in Minnesota in compliance with Minn. Stat. ch. 80C (2012).

4. Respondent and LGN have agreed to disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2012) and Minn. R. 1400.5900 (2011).

5. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, that Respondent and LGN and their officers, directors, agents, employees, assigns, successors, affiliates, representatives and servants, shall cease and desist from advertising, offering or selling in the State of Minnesota, the above or any other franchise, until registration in compliance with Minn. Stat., ch. 80C (2012) has been achieved.

**IT IS FURTHER ORDERED**, that Respondent must offer rescission to all Minnesota residents or entities who purchased a franchise from Respondent prior to having LGN's registration approved by the Department and LGN must provide an updated Franchise Disclosure Document ("FDD"). The FDD included with the rescission offer will provide the Minnesota Disclosure language that is required in all FDDs as found in Minn. Stat. Ch. 80C and Minn. R. Ch. 2860, and the rescission offer will include the right to place the parties into the same position they were in prior to execution of any FDD which had not been approved by the Department.

**IT IS FURTHER ORDERED**, that in the event registration is not obtained or granted, Respondent must offer rescission to all Minnesota residents or entities that purchased a franchise from Respondent. The rescission offer will provide the Minnesota Disclosure language that is required in all FDDs as found in Minn. Stat. Ch. 80C and Minn. R. Ch. 2860, and include the

right to place the parties into the same position they were in prior to execution of any FDD which had not been approved by the Department.

**IT IS FURTHER ORDERED**, that within 30 days of their registration being approved, or receiving notice that their registration has been denied, Respondent must provide to the Department, a copy of all rescission offers made, and proof that the offers were received by all franchisees.

**IT IS FURTHER ORDERED**, that LGN must disclose this Consent Order in its Franchise Disclosure Document (Item 3 Litigation) for a period of two years from the date of this Consent Order.

**IT IS FURTHER ORDERED**, that pursuant to Minn. Stat. § 45.027, subd. 6 (2012) and Minn. Stat. § 80C.16, subd. 2 (2012), Respondent shall pay to the State of Minnesota a civil penalty of \$2,000.00.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 2/19/2013

MIKE ROTHMAN  
Commissioner

By:

  
NANCY J. LEPPINK  
Assistant Commissioner - Enforcement

85 Seventh Place East, Suite 500  
St. Paul, Minnesota 55101  
Telephone: (651) 296-2488

## CONSENT TO ENTRY OF ORDER

The undersigned Sara Jespersen, acting on behalf of Look Good Naked, Inc. states that she has read the foregoing Consent Order; that she knows and fully understands its contents and effect; that she is authorized to execute this Consent to Entry of Order on behalf of Look Good Naked, Inc., that she has been advised of Look Good Naked Inc.'s right to a hearing; that it has been represented by legal counsel in this matter; or that it has been advised of their right to be represented by legal counsel and that it has waived this right; and that it consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

**Look Good Naked, Inc.**

By: *Sara Jespersen*  
Sara Jespersen  
Its: President

STATE OF MINNESOTA

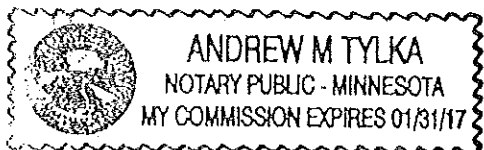
COUNTY OF Ramsey

This instrument was acknowledged before me on 2/8/13 (date) by Sara Jespersen, President of Look Good Naked, Inc.

(stamp)

*[Signature]*  
(Signature of notary officer)

My commission expires: 1/31/2017



## CONSENT TO ENTRY OF ORDER

The undersigned Sara Jespersen, acting on behalf of LGN Franchise System, LLC states that she has read the foregoing Consent Order; that she knows and fully understands its contents and effect; that she is authorized to execute this Consent to Entry of Order on behalf of LGN Franchise System, LLC, that she has been advised of LGN Franchise System, LLC's right to a hearing; that it has been represented by legal counsel in this matter; or that it has been advised of their right to be represented by legal counsel and that it has waived this right; and that it consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

LGN Franchise System, LLC

By: *Sara Jespersen*  
Sara Jespersen  
Its: *President*

STATE OF MINNESOTA

COUNTY OF *Ramsey*

This instrument was acknowledged before me on 2/8/13 (date) by Sara Jespersen, President of LGN Franchise System, LLC.

(stamp)

*[Signature]*  
(Signature of notary officer)  
My commission expires: 11/31/13

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